

§ 560.555

property and interests in property are blocked pursuant to § 560.211, is authorized, provided that attendance and participation at the conference or other similar public event is open for the public and that the conference or other similar event is not tailored in whole or in part to or for Iran or persons who are ordinarily resident in Iran.

(c) This section does not authorize:

(1) Any release of technology or software to a person who is ordinarily resident in Iran; and

(2) The exportation, reexportation, sale or supply of services, or the importation of Iranian-origin services or other dealing in such services, related to the petroleum or petrochemical industries, energy development, crude oil or natural gas, pipelines, or the oil services industry.

§ 560.555 Winding-down of transactions prohibited by § 560.215.

(a) Except as set forth in paragraphs (b) and (c) of this section, all transactions ordinarily incident and necessary to the winding-down of transactions prohibited by § 560.215 are authorized from October 9, 2012, through March 8, 2013, provided that those ordinarily incident and necessary transactions do not involve a U.S. person or occur in the United States.

(b) Nothing in this section authorizes any transactions prohibited by § 560.205.

(c) Transactions involving Iranian financial institutions are authorized pursuant to paragraph (a) of this section only if the property and interests in property of the Iranian financial institution are blocked solely pursuant to this part.

[77 FR 75850, Dec. 26, 2012]

§ 560.556 Foreign entities owned or controlled by U.S. persons authorized to engage in transactions that are authorized by general license if engaged in by a U.S. person or in the United States.

(a) Except as set forth in paragraph (b) of this section, an entity owned or controlled by a United States person and established or maintained outside the United States (a “U.S.-owned or -controlled foreign entity”) is authorized to engage in a transaction otherwise prohibited by § 560.215 that would

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be authorized by a general license set forth in or issued pursuant to this part if engaged in by a U.S. person or in the United States, provided the U.S.-owned or -controlled foreign entity is authorized to engage in the transaction only to the same extent as the U.S. person is authorized to engage in the transaction and subject to all the conditions and requirements set forth in the general license for the U.S. person.

(b) This section does not authorize any transaction by a U.S.-owned or -controlled foreign entity otherwise prohibited by § 560.215 if the transaction would be prohibited by any other part of this chapter V if engaged in by a U.S. person or in the United States.

[77 FR 75850, Dec. 26, 2012]

Subpart F—Reports

§ 560.601 Records and reports.

For provisions relating to required records and reports, see part 501, subpart C, of this chapter. Recordkeeping and reporting requirements imposed by part 501 of this chapter with respect to the prohibitions contained in this part are considered requirements arising pursuant to this part.

§§ 560.602–560.603 [Reserved]

Subpart G—Penalties

§ 560.701 Penalties.

(a) Attention is directed to section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) (“IEEPA”), which is applicable to violations of the provisions of any license, ruling, regulation, order, directive, or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this part or otherwise under IEEPA.

(1) A civil penalty not to exceed the amount set forth in section 206 of IEEPA may be imposed on any person who violates, attempts to violate, conspires to violate, or causes a violation of any license, order, regulation, or prohibition issued under IEEPA.

NOTE TO PARAGRAPH (a)(1) OF § 560.701: As of the date of publication in the FEDERAL REGISTER of the final rule amending and reissuing this part (October 22, 2012), IEEPA provides for a maximum civil penalty not to exceed the greater of \$250,000 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

(2) A person who willfully commits, willfully attempts to commit, or willfully conspires to commit, or aids or abets in the commission of a violation of any license, order, regulation, or prohibition may, upon conviction, be fined not more than \$1,000,000, or if a natural person, be imprisoned for not more than 20 years, or both.

(3) As set forth in section 218 of the Iran Threat Reduction and Syria Human Rights Act of 2012 (Pub. L. 112-158), a civil penalty not to exceed the amount set forth in section 206 of IEEPA may be imposed on a United States person if an entity owned or controlled by the United States person and established or maintained outside the United States violates, attempts to violate, conspires to violate, or causes a violation of the prohibition set forth in § 560.215 or of any order, regulation, or license set forth in or issued pursuant to this part concerning such prohibition. The penalties set forth in this paragraph shall not apply with respect to a transaction described in § 560.215 by an entity owned or controlled by the United States person and established or maintained outside the United States if the United States person divests or terminates its business with the entity not later than February 6, 2013, such that the U.S. person no longer owns or controls the entity, as defined in § 560.215(b)(1).

(b) *Adjustments to penalty amounts.* (1) The civil penalties provided in IEEPA are subject to adjustment pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note).

(2) The criminal penalties provided in IEEPA are subject to adjustment pursuant to 18 U.S.C. 3571.

(c) Attention is also directed to 18 U.S.C. 1001, which provides that whoever, in any matter within the jurisdiction of the executive, legislative, or judicial branch of the Government of the United States, knowingly and willfully

falsifies, conceals, or covers up by any trick, scheme, or device a material fact, or makes any materially false, fictitious, or fraudulent statement or representation, or makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry shall be fined under title 18, United States Code, or imprisoned, or both.

(d) Attention is directed to 18 U.S.C. 2332d, as added by Public Law 104-132, section 321, which provides that, except as provided in regulations issued by the Secretary of the Treasury, in consultation with the Secretary of State, a U.S. person, knowing or having reasonable cause to know that a country is designated under section 6(j) of the Export Administration Act, 50 U.S.C. App. 2405, as a country supporting international terrorism, engages in a financial transaction with the government of that country, shall be fined under title 18, United States Code, or imprisoned for not more than 10 years, or both.

(e) Violations of this part may also be subject to relevant provisions of Customs laws and other applicable laws.

[77 FR 64666, Oct. 22, 2012, as amended at 77 FR 75850, Dec. 26, 2012]

§ 560.702 Detention of shipments.

Import shipments into the United States of Iranian-origin goods in violation of § 560.201 and export shipments from the United States of goods destined for Iran in violation of § 560.204 shall be detained. No such import, export, or reexport will be permitted to proceed, except as specifically authorized by or on behalf of the Secretary of the Treasury. Unless licensed, such shipments are subject to penalty or seizure and forfeiture action, under the customs laws or other applicable provisions of law, depending on the circumstances.

§ 560.703 Pre-Penalty Notice; settlement.

(a) *When required.* If the Office of Foreign Assets Control has reason to believe that there has occurred a violation of any provision of this part or a